

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
San Gabriel Valley Water Company  
(U 377 W) for Authority to Implement a  
Low-Income Rate in Its Los Angeles  
Division in Compliance with Decision  
02-10-058 in Application 01-10-028.

Application 03-04-025

**PREHEARING CONFERENCE STATEMENT  
OF THE OFFICE OF RATEPAYER ADVOCATES**

Pursuant to Administrative Law Judge (“ALJ”) Maribeth Bushey’s October 21, 2003 and November 7, 2003 Rulings setting and rescheduling the prehearing conference (“PHC”) and dates for filing prehearing conference statements in the above captioned proceeding, the Office of Ratepayer Advocates (“ORA”) here files its prehearing conference statement. As discussed below, ORA recommends that the California Public Utilities Commission (“Commission”) move forward with implementing a low-income rate proposal for San Gabriel Valley Water Company (“San Gabriel”) customers. The issues that the Commission should address are identified below.

**I. BACKGROUND AND DISCUSSION**

Pursuant to Commission directive, on April 24, 2003, San Gabriel filed Application (“A.”) 03-04-025 requesting authority to implement a low-income rate program for its customers. On May 28, 2003, ORA filed a protest to the application. In its protest, ORA stated that if this matter proceeds, ORA will investigate the reasonableness of the low-income rate design proposed by San Gabriel; however, ORA supported San Gabriel’s alternative proposal that the Commission issue an industry-wide rulemaking to enunciate a low-income program for all Class A water companies. (ORA Protest, p. 2.)

Since the time ORA filed its protest, it has been working to develop a policy and program for low-income water customers and has advanced this policy in another proceeding.<sup>1</sup> Therefore, ORA no longer recommends that the Commission defer implementation of a low-income program for San Gabriel customers to a generic rulemaking. Instead, ORA recommends that the Commission move forward with this application and set a schedule for testimony and hearings. The Commission can establish a consistent low-income policy and program for water customers through individual applications. If the Commission later decides to issue a generic rulemaking, any differences resulting from that rulemaking can subsequently be implemented for companies with existing programs. Moving forward with this application will provide San Gabriel low-income customers with some rate relief sooner than if the Commission waits for finalization of a program through a generic proceeding.

## **II. ISSUES**

On October 21, 2003, ALJ Bushey issued a ruling identifying the issues in the case and presenting program options for consideration. The Ruling encouraged parties to file PHC statements setting out any additional issues, information, or policy considerations that parties want to consider in this proceeding. The Ruling identified the following two issues:

1. The availability of the program to all low-income families served with water directly or indirectly by San Gabriel;
2. The cost of the program.

ORA agrees that the Commission should address these issues in this proceeding. In considering the first issue, the Commission will need to address how to identify and qualify customers for the program. This would include information sharing with other utilities. The cost of identifying and qualifying customers and the amount or method of discount would be considered as part of the second issues -- the cost of the program. The

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<sup>1</sup> ORA presented its proposed low-income policy in testimony issued November 17, 2003, in San Jose Water Company's General Rate Case Application 03-05-035.

Commission may also want to consider phasing in the discounts or the customer classes receiving discounts in any adopted program.

On January 2, 2003, ORA staff met with representatives from San Gabriel to discuss, generally, the company's application, ORA's position, and the issues the parties see in the case. No additional issues were identified.

### **III. CONCLUSION**

ORA recommends that the Commission move forward with this application, addressing the issues identified above, and implement a low-income rate proposal for San Gabriel customers.

Respectfully submitted,

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January 9, 2004

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing document  
PREHEARING CONFERENCE STATEMENT OF THE OFFICE OF  
RATEPAYER ADVOCATES in A.03-04-025.

A copy has been e-mailed on all known parties of record who have provided  
e-mail addresses. In addition, all parties have been served by first-class mail.

Executed in San Francisco, California, on the 9th day of January, 2004.

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Mae F. Dyson